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SHINHINT ACOUSTIC LINK HOLDINGS LIMITED

成謙聲匯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2728)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES

On 15 April 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company agreed to place, through the Placing Agent, on a best effort basis, a maximum of 64,369,112 new Shares to not less than six Placées at a price of HK\$0.97 per Placing Share during the Placing Period.

The maximum of 64,369,112 Placing Shares represent (i) approximately 19.96% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.64% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$643,691.12.

The Placing Price of HK\$0.97 per Share represents (i) a discount of approximately 18.49% to the closing price of HK\$1.19 per Share as quoted on the Stock Exchange on 15 April 2015, being the date of the Placing Agreement; and (ii) a discount of approximately 3% to the average closing price of approximately HK\$1.00 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 14 April 2015, being the last trading day prior to the date of the Placing Agreement.

The Placing Shares will be issued under the General Mandate and therefore the issue of the Placing Shares will not be subject to the approval of the Shareholders.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$62,438,038 and HK\$61,338,038 respectively. The net placing price will be approximately HK\$0.95 per Share. The net proceeds from the Placing are intended to be used for general working capital of the Group.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date: 15 April 2015 (after trading hours)

Issuer: the Company

Placing Agent: Astrum Capital Management Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined under the Listing Rules).

Number of Placing Shares

Pursuant to the Placing Agreement, the Placing Agent agreed to procure, on a best effort basis, not less than six Placées to subscribe for a maximum of 64,369,112 Placing Shares at a price of HK\$0.97 per Placing Share. The maximum of 64,369,112 Placing Shares represent (i) approximately 19.96% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.64% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$643,691.12.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue at the time of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.97 per Share represents (i) a discount of approximately 18.49% to the closing price of HK\$1.19 per Share as quoted on the Stock Exchange on 15 April 2015, being the date of the Placing Agreement; and (ii) a discount of approximately 3% to the average closing price of approximately HK\$1.00 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 14 April 2015, being the last trading day prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and placing commission) are on normal commercial terms and are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

Placees

The Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owners are independent institutional, professional and/or individual investors and not connected with any directors, chief executive or substantial Shareholder(s) (if any) of the Company or its subsidiaries and their respective associates. It is expected that none of the Placees will become a substantial Shareholder of the Company as a result of the Placing.

Conditions of the Placing Agreement

Completion of the Placing by the Placing Agent of the Placing Shares under the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (ii) the Placing Agreement not having been terminated in accordance with its terms on or before 29 May 2015, being 14 days after the date of Placing Agreement (the “Long Stop Date”) (or such other date as the Company and the Placing Agent may agree in writing).

Each of the Company and Placing Agent shall use their respective best endeavours to procure the fulfilment of the conditions and in the event the conditions are not fulfilled by the Long Stop Date (or such later date as may be agreed between the Company and the Placing Agent), all obligations of the Placing Agent and of the Company thereunder shall cease and determine and none of the parties thereto shall have any claim against the other in relation thereto.

Termination and force majeure

The Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time up to 10:00 a.m. on the date of completion of the Placing Agreement, at its sole and absolute discretion and in the reasonable opinion of the Placing Agent, the occurrence of the following events:

- (a) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or

- (b) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent to be material in the context of the Placing; or
- (c) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and adversely affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (d) any statement contained in the announcements, circulars and financial reports of the Company has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

In the event that the Placing Agent terminates the Placing Agreement, all liabilities of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

Completion

Completion of the Placing will take place at 3:00 p.m. (Hong Kong time) within five Business Day after the date on which all the conditions as set out in paragraph headed “Conditions of the Placing Agreement” above are satisfied or such other date as the Company and the Placing Agent may agree in writing.

Placing commission

The Placing Agent shall receive a placing commission of 1.5% of the aggregate Placing Price of the Placing Shares successfully placed. The placing commission was determined after arm’s length negotiations between the Company and the Placing Agent with reference to the market rate.

General Mandate

The maximum of 64,369,112 Placing Shares will be issued under the General Mandate. Accordingly, the issue of the Placing Shares will not be subject to the approval of the Shareholders. The 64,369,112 Placing Shares to be allotted and issued will fully utilise the General Mandate. Up to the date of this announcement, no Share has been issued under the General Mandate.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, the following sets out the shareholding structure of the Company as at the date of this announcement and upon completion of the Placing, assuming that all the Placing Shares have been successfully placed and there is no other change in the share capital of the Company.

	As at the date of this announcement		Upon completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Shareholders				
Lin Caihuo (<i>Note</i>)	91,239,473	28.30%	91,239,473	23.59%
Public				
Places	–	–	64,369,112	16.64%
Other public Shareholders	231,216,091	71.70%	231,206,091	59.77%
Total	<u>322,455,564</u>	<u>100%</u>	<u>386,814,676</u>	<u>100%</u>

Note: Mr. Lin Caihuo is the executive Director and chairman of the Board.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in trading and manufacturing of speaker units and provision of consultancy services in connection with research and development of headphones and speaker products.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$62,438,038 and HK\$61,338,038 respectively. The net placing price will be approximately HK\$0.95 per Share. The net proceeds from the Placing are intended to be used for general working capital of the Group.

The Directors consider that the Placing represents an opportunity to provide additional working capital for the Group while broadening its shareholder and capital base thereby increasing the liquidity of the Shares. The Directors also consider that the terms of the Placing, including the Placing Price and the placing commission, are fair and reasonable based on current market conditions. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities during the past twelve months immediately preceding the date of this announcement.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

“AGM”	the annual general meeting of the Company held on 23 May 2014
“Board”	the Board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are open for general banking business

“Company”	Shinhint Acoustic Link Holdings Limited (成謙聲匯控股有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Board pursuant to the resolution passed by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company (being 321,845,564 Shares) as at the date of passing such resolution, which is equivalent to 64,369,112 Shares
“Group”	the Company and its subsidiaries, from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any independent institutional, professional and/or individual investors who are not connected with any directors, chief executive or substantial Shareholder(s) (if any) (as defined in the Listing Rules) of the Group and their respective associates
“Placing”	the placing of a maximum of 64,369,112 Placing Shares on a best effort basis pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities for the purpose of the Securities and Futures Ordinance

“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 15 April 2015 in respect of the Placing
“Placing Period”	the period commencing from the date of the Placing Agreement to the Long Stop Date
“Placing Price”	HK\$0.97 per Placing Share (excluding any transaction levy, Stock Exchange trading fee and other fees or levies as may be payable by the Placees)
“Placing Share(s)”	a maximum of 64,369,112 Shares to be issued pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Shinhint Acoustic Link Holdings Limited
Lin Caihuo
Chairman

Hong Kong, 16 April 2015

As at the date of this announcement, the Company has three Executive Directors, namely Mr. Lin Caihuo (Chairman), Ms. Kang Guiping and Mr. Wang Enguang, one Non-Executive Director, namely Mr. Yip Yat Ming and three Independent Non-Executive Directors, namely Mr. Liu Yang, Mr. Lum Pak Sum and Mr. Tsui Man Yin.